

107TH CONGRESS
1ST SESSION

H. R. 3053

To prevent identity theft, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 5, 2001

Ms. HOOLEY of Oregon (for herself, Mr. LATOURETTE, Mr. KANJORSKI, Mr. MCGOVERN, Mr. LANTOS, Mrs. THURMAN, Mr. RANGEL, Mr. CAPUANO, Mr. McNULTY, Mr. KUCINICH, Ms. BERKLEY, Mr. BALDACCI, Mrs. MALONEY of New York, Mr. BENTSEN, Mr. FROST, Mr. GILLMOR, Mr. KILDEE, Ms. SLAUGHTER, Mr. WEXLER, Mr. NEY, Ms. SCHAKOWSKY, Mr. LANGEVIN, and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To prevent identity theft, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Identity Theft Preven-
5 tion Act of 2001”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the crime of identity theft has become one
9 of the major law enforcement challenges of the new

1 economy, as vast quantities of sensitive, personal in-
2 formation are now vulnerable to criminal intercep-
3 tion and misuse;

4 (2) a number of indicators reveal that, despite
5 increased public awareness of the crime, the inci-
6 dents of identity theft continue to rise;

7 (3) 1,000,000 consumers annually call the
8 Fraud Victim Assistance Department of one national
9 consumer reporting agency, a number that almost
10 doubled from 1997 to 2001;

11 (4) as of March 2001, the Federal Trade Com-
12 mission Identity Theft Data Clearinghouse was aver-
13 aging more than 2,000 call-ins a week, a four-fold
14 increase since the Clearinghouse began operation in
15 November 1999;

16 (5) allegations of identity theft reported to the
17 fraud hotline of the Social Security Administration
18 increased from 11,058 in fiscal year 1998 to 46,480
19 in fiscal year 2000;

20 (6) in its fiscal year 2000 annual report, the
21 Postal Inspection Service noted that identity theft is
22 a growing trend and the agency's investigations of
23 such crimes has "increased by 67 percent since last
24 year";

1 (7) an integral part of many identity crimes in-
2 volves the interception of personal financial data or
3 the fraudulent acquisition of credit cards and other
4 financial products in another person's name;

5 (8) identity theft is an act that violates the pri-
6 vacy of our citizens and ruins their good names, vic-
7 tims can suffer restricted access to credit and dimin-
8 ished employment opportunities, and may spend
9 years repairing damage to credit histories;

10 (9) the resources available to identity theft vic-
11 tims are inadequate, and both private sector and
12 Federal agencies should provide better and more
13 sympathetic assistance to such victims; and

14 (10) credit reporting agencies and issuers of
15 credit should have uniform reporting requirements
16 and effective fraud alerts to assist identity theft vic-
17 tims in repairing and protecting their credit.

18 **SEC. 3. IDENTITY THEFT PREVENTION.**

19 (a) CHANGES OF ADDRESS.—

20 (1) DUTY OF ISSUERS OF CREDIT.—Section
21 132 of the Truth in Lending Act (15 U.S.C. 1642)
22 is amended—

23 (A) by inserting “(a) IN GENERAL.—” be-
24 fore “No credit”; and

25 (B) by adding at the end the following:

1 “(b) CONFIRMATION OF CHANGES OF ADDRESS.—If
 2 a card issuer receives a request for an additional credit
 3 card with respect to an existing credit account not later
 4 than 30 days after receiving notification of a change of
 5 address for that account, the card issuer shall—

6 “(1) not later than 5 days after sending the ad-
 7 ditional card to the new address, notify the card-
 8 holder of the request at both the new address and
 9 the former address; and

10 “(2) provide to the cardholder a means of
 11 promptly reporting incorrect changes.”.

12 (2) DUTY OF CONSUMER REPORTING AGEN-
 13 CIES.—Section 605 of the Fair Credit Reporting Act
 14 (15 U.S.C. 1681c) is amended by adding at the end
 15 the following:

16 “(g) NOTICE OF POTENTIAL FRAUD.—In any case
 17 in which a person has requested a consumer report relat-
 18 ing to a consumer, and the request includes an address
 19 for the consumer that differs from the most recent address
 20 in the file of the consumer, the consumer reporting agency
 21 shall notify the requester of the discrepancy.”.

22 (3) ENFORCEMENT.—

23 (A) FEDERAL TRADE COMMISSION.—Ex-
 24 cept as provided in subparagraph (B), compli-
 25 ance with section 132(b) of the Truth in Lend-

1 ing Act (as added by this subsection) shall be
2 enforced by the Federal Trade Commission in
3 the same manner and with the same power and
4 authority as the Commission has under the
5 Fair Debt Collection Practices Act to enforce
6 compliance with that Act.

7 (B) OTHER AGENCIES IN CERTAIN
8 CASES.—

9 (i) IN GENERAL.—Compliance with
10 section 132(b) of the Truth in Lending Act
11 (as added by this subsection) shall be en-
12 forced under—

13 (I) section 8 of the Federal De-
14 posit Insurance Act, in the case of a
15 card issuer that is—

16 (aa) a national bank or a
17 Federal branch or Federal agen-
18 cy of a foreign bank, by the Of-
19 fice of the Comptroller of the
20 Currency;

21 (bb) a member bank of the
22 Federal Reserve System (other
23 than a national bank), a branch
24 or agency of a foreign bank
25 (other than a Federal branch,

1 Federal agency, or insured State
2 branch of a foreign bank), a com-
3 mercial lending company owned
4 or controlled by a foreign bank,
5 or an organization operating
6 under section 25 or 25A of the
7 Federal Reserve Act, by the
8 Board of Governors of the Fed-
9 eral Reserve System;

10 (cc) a bank insured by the
11 Federal Deposit Insurance Cor-
12 poration (other than a member of
13 the Federal Reserve System or a
14 national nonmember bank) or an
15 insured State branch of a foreign
16 bank, by the Board of Directors
17 of the Federal Deposit Insurance
18 Corporation; and

19 (dd) a savings association,
20 the deposits of which are insured
21 by the Federal Deposit Insurance
22 Corporation, by the Director of
23 the Office of Thrift Supervision;
24 and

1 (II) the Federal Credit Union
2 Act, by the Administrator of the Na-
3 tional Credit Union Administration in
4 the case of a card issuer that is a
5 Federal credit union, as defined in
6 that Act.

7 (C) VIOLATIONS TREATED AS VIOLATIONS
8 OF OTHER LAWS.—For the purpose of the exer-
9 cise by any agency referred to in this paragraph
10 of its powers under any Act referred to in this
11 paragraph, a violation of section 132(b) of the
12 Truth in Lending Act (as added by this sub-
13 section) shall be deemed to be a violation of a
14 requirement imposed under that Act. In addi-
15 tion to its powers under any provision of law
16 specifically referred to in subparagraph (A) or
17 (B), each of the agencies referred to in those
18 subparagraphs may exercise, for the purpose of
19 enforcing compliance with section 132(b) of the
20 Truth in Lending Act (as added by this sub-
21 section), any other authority conferred on such
22 agency by law.

23 (b) FRAUD ALERTS.—Section 605 of the Fair Credit
24 Reporting Act (15 U.S.C. 1681c) is amended by adding
25 at the end the following:

1 “(h) FRAUD ALERTS.—

2 “(1) IN GENERAL.—Upon the request of a con-
3 sumer and upon receiving proper identification, a
4 consumer reporting agency shall include a fraud
5 alert in the file of that consumer.

6 “(2) NOTICE TO USERS.—A consumer reporting
7 agency shall notify each person procuring consumer
8 credit information with respect to a consumer of the
9 existence of a fraud alert in the file of that con-
10 sumer, regardless of whether a full credit report,
11 credit score, or summary report is requested.

12 “(3) PENALTIES.—Any user of a consumer re-
13 port that fails to comply with preauthorization pro-
14 cedures contained in a fraud alert and issues or ex-
15 tends credit in the name of the consumer to a per-
16 son other than the consumer, shall be in violation of
17 this section.

18 “(4) DEFINITION.—In this subsection, the term
19 ‘fraud alert’ means a clear and conspicuous state-
20 ment in the file of a consumer that notifies all pro-
21 spective users of a consumer report made with re-
22 spect to that consumer that the consumer does not
23 authorize the issuance or extension of credit in the
24 name of the consumer unless—

1 “(A) the issuer of such credit first obtains
2 verbal authorization from the consumer at a
3 telephone number designated by the consumer;
4 or

5 “(B) the issuer complies with such other
6 method of preauthorization by the consumer as
7 is mutually agreed upon by the consumer and
8 the consumer reporting agency.”.

9 (c) RULES ON COMPLAINT REFERRAL, INVESTIGA-
10 TIONS, AND INQUIRIES.—Not later than 270 days after
11 the date of enactment of this Act, the Federal Trade Com-
12 mission (in this subsection referred to as the “Commis-
13 sion”) shall promulgate rules in accordance with section
14 553 of title 5, United States Code—

15 (1) to require each consumer reporting agency
16 (as defined in section 603 of the Fair Credit Report-
17 ing Act) to investigate discrepancies between per-
18 sonal or identifying information contained in the file
19 maintained by the agency with respect to a con-
20 sumer and in the personal and identifying informa-
21 tion supplied to the agency by the user of the con-
22 sumer report;

23 (2) to develop procedures for referral of con-
24 sumer complaints about identity theft and fraud

1 alerts between and among the consumer reporting
2 agencies and the Commission; and

3 (3) to develop a model form and standard pro-
4 cedures to be used by consumers who are victims of
5 identity fraud for contacting and informing creditors
6 and consumer reporting agencies of the fraud.

7 **SEC. 4. TRUNCATION OF CREDIT CARD ACCOUNT NUM-**
8 **BERS.**

9 (a) IN GENERAL.—Except as provided in this section,
10 no person, firm, partnership, association, corporation, or
11 limited liability company that accepts credit cards for the
12 transaction of business shall print more than the last 5
13 digits of the credit card account number or the expiration
14 date upon any receipt provided to the cardholder.

15 (b) LIMITATION.—This section applies only to re-
16 ceipts that are electronically printed, and does not apply
17 to transactions in which the sole means of recording the
18 person's credit card account number is by handwriting or
19 by an imprint or copy of the credit card.

20 (c) EFFECTIVE DATE.—This section shall become ef-
21 fective on—

22 (1) January 1, 2006, with respect to any cash
23 register or other machine or device that electroni-
24 cally prints receipts for credit card transactions that
25 is in use before January 1, 2003; and

1 (2) January 1, 2003, with respect to any cash
2 register or other machine or device that electroni-
3 cally prints receipts for credit card transactions that
4 is first put into use on or after January 1, 2003.

5 (d) EFFECT ON STATE LAW.—Nothing in this sec-
6 tion prevents a State from imposing requirements that are
7 the same or substantially similar to the requirements of
8 this section at any time before the effective date of this
9 section.

10 **SEC. 5. FREE REPORTS ANNUALLY.**

11 Section 612(c) of the Fair Credit Reporting Act (15
12 U.S.C. 1681j(c)) is amended to read as follows:

13 “(c) FREE ANNUAL DISCLOSURE.—Upon the request
14 of the consumer, a consumer reporting agency shall make
15 all disclosures pursuant to section 609 once during any
16 12-month period without charge to the consumer.”.

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